

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
MEDICAL ASSISTANCE ADMINISTRATION  
Olympia, Washington**

**To:** All Providers  
Regional Administrators  
CSO Administrators

**Memorandum No. 00-12 MAA**  
**Issued:** May 12, 2000

**For further information, call:**  
1-800-562-6188

**From:** James C. Wilson, Assistant Secretary  
Medical Assistance Administration

**Subject:** New Automated Fraud and Abuse Detection System

**Beginning sometime in June 2000, the Department of Social and Health Services (DSHS) will initiate implementation of a new automated fraud and abuse detection (FAD) system. The Medical Assistance Administration (MAA) will play a major support role in implementing the system and is committed to ensuring its providers that Medical Assistance payments are accurate and that our program integrity is maintained.**

With the increase in health care costs and demands by the public for increased accountability, accurate payments are essential. MAA continues to perform utilization and quality reviews on all categories of client service to ensure program integrity.

DSHS has contracted with HWT, Inc. of Portland, Maine to implement a new automated FAD system. This FAD system will assist in continually improving the DSHS payment integrity. In working with other states, HWT's experience has been that only a small percentage of providers are responsible for the majority of incorrect billings. We believe the same to be true in Washington State.

The FAD system will be used first on claims that are processed and paid through MAA's Medicaid Management Information System (MMIS). Payment of claims processed outside the MMIS will occur at a later date.

The use of the FAD system is expected to result in the following opportunities that will benefit both providers and DSHS:

- Clarify and further streamline policies and procedures;
- Educate providers regarding proper billing practices;
- Increase program and payment integrity within DSHS programs; and
- Assure that Washington State will be able to continue to provide a wide range of covered services to those most in need.

Information about the FAD system also can be accessed through the DSHS web site at <http://maa.dshs.wa.gov/>.

If you have questions or concerns regarding this project, you may contact any of the following FAD liaisons:

- Casey Zimmer, Manager, Quality Review  
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